

Representative Kory M. Holdaway proposes the following substitute bill:

**PREMIUM ASSISTANCE PROGRAM FOR
COVERED-AT-WORK**

2005 GENERAL SESSION

STATE OF UTAH

Sponsor: Kory M. Holdaway

LONG TITLE

General Description:

This bill appropriates state funds to increase the premium subsidy for the Covered-At-Work Program from \$50 to \$100 per month and directs the Department of Health to seek an amendment to the state's Primary Care Network waiver granted by the federal government.

Highlighted Provisions:

This bill:

- ▶ provides for an increase in the premium subsidy amount for persons eligible for the Covered-At-Work Program by \$15 per month in state-only funds for a maximum of 2,000 qualifying persons; and
- ▶ directs the Utah Department of Health to seek an amendment to the 1115 Primary Care Network Waiver's premium subsidy component, also known as Covered-At-Work that would do the following:
 - increase the five-year individual monthly premium subsidy amount, currently consisting of varying amounts per year, to \$100 per year;
 - increase the five-year individual and spouse monthly premium amount, currently consisting of varying amounts per year, to \$200; and
 - reduce the number of federally authorized eligible positions under the premium



subsidy component of the waiver from 6,000 to 2,000.

Monies Appropriated in this Bill:

This bill appropriates:

- \$360,000 from the General Fund to the Department of Health.

Other Special Clauses:

This bill takes effect on July 1, 2005.

Utah Code Sections Affected:

AMENDS:

26-18-3.5, as last amended by Chapter 323, Laws of Utah 2004

Uncodified Material Affected:

ENACTS UNCODIFIED MATERIAL

Be it enacted by the Legislature of the state of Utah:

Section 1. Section **26-18-3.5** is amended to read:

26-18-3.5. Copayments by health service recipients, spouses, and parents.

(1) The department shall selectively provide for enrollment fees, premiums, deductions, cost sharing or other similar charges to be paid by recipients, their spouses, and parents, within the limitations of federal law and regulation.

(2) (a) The department shall seek approval under the department's Section 1115 Medicaid waiver to cap enrollment fees for the Primary Care Network Demonstration Project in accordance with Subsection (2)(b).

(b) Pursuant to a waiver obtained under Subsection (2)(a), the department shall cap enrollment fees for the primary care network at \$15 per year for those persons who, after July 1, 2003, are eligible to begin receiving General Assistance under Section 35A-3-401.

(c) Beginning July 1, 2004, and pursuant to a waiver obtained under Subsection (2)(a), the department shall cap enrollment fees for the primary care network at \$25 per year for those persons who have an income level that is below 50% of the federal poverty level.

(3) Beginning July 1, 2005, subject to federal approval:

(a) the combined state and federal portion of the 1115 Primary Care Network Waiver's Premium subsidy component, also known as Covered-At-Work, shall be \$85 per month; and

(b) the state shall provide an additional \$15 per month of state-only funds to increase

57 the premium subsidies under Subsection (3)(a) for 2,000 eligible positions.

58 Section 2. **Direction to Department of Health regarding Covered-At-Work.**

59 (1) The Department of Health shall seek an amendment to the 1115 Primary Care
60 Network Waiver's premium subsidy component, also known as Covered-At-Work, to
61 accomplish the following:

62 (a) increase the five-year individual monthly premium subsidy amount to \$100 per
63 month;

64 (b) increase the five-year individual and spouse monthly premium amount to \$200 per
65 month; and

66 (c) reduce the number of federally authorized slots under the 1115 Primary Care
67 Network Waiver's premium subsidy component to 2,000 slots.

68 (2) The increases in the premium subsidy amounts referred to in Subsection (1) are
69 subject to federal approval.

70 Section 3. **Appropriation.**

71 As an ongoing appropriation, subject to future budget constraints, there is appropriated
72 from the General Fund for fiscal year 2005-06, \$360,000 to the Department of Health to fund
73 the increase in the state's portion of the 1115 Primary Care Network Waiver's Premium subsidy
74 component, also known as Covered-At-Work referred to in Subsection 26-18-3.5(3).

75 Section 4. **Effective date.**

76 This bill takes effect on July 1, 2005.

Fiscal Note**Bill Number HB0304S01****Premium Assistance Program for Covered-At-Work***24-Feb-05**8:58 AM*

State Impact

This bill appropriates \$360,000 from the General Fund to the Department of Health to increase the subsidy for individuals on the Covered at Work program.

	<u>FY 2006</u> <u>Approp.</u>	<u>FY 2007</u> <u>Approp.</u>	<u>FY 2006</u> <u>Revenue</u>	<u>FY 2007</u> <u>Revenue</u>
General Fund	\$360,000	\$360,000	\$0	\$0
TOTAL	\$360,000	\$360,000	\$0	\$0

Individual and Business Impact

Individuals on the Covered at Work program would receive an additional subsidy in the premium of \$15 per month.

Office of the Legislative Fiscal Analyst